

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 IO-14 ISO-00 EA-12 CEA-01 CIAE-00

COME-00 DODE-00 FRB-01 H-02 INR-10 INT-05 L-03

LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05 SS-15

STR-07 ITC-01 TRSE-00 ICA-20 SP-02 SOE-02 OMB-01

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P 302216Z JUN 78

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC PRIORITY 7933

INFO USMISSION GENEVA

AMCONSUL MONTREAL

ALL OTHER CANADIAN CONSULS POUCH

UNCLAS OTTAWA 03328

USMTN AND ALSO USMISSION

E.O. 11652: N/A

TAGS: GATT, ETRD, CA

SUBJECT: TEXTILE AND CLOTHING IMPORT RESTRAINT MEASURES

REF: (A) 77 OTTAWA 9228; (B) STATE 046703

1. SUMMARY. GOC HAS ANNOUNCED THAT BILATERAL TEXTILE RESTRAINT AGREEMENTS CONCLUDED WITH SEVEN MAJOR SUPPLIERS, ACCOUNTING FOR 80 PERCENT OF IMPORTS, WILL TAKE EFFECT WHEN GLOBAL TEXTILE QUOTA EXPIRES AT END 1978. RESTRAINT AGREEMENTS PLUS TIGHT MONITORING WILL REPLACE QUOTAS. AT SAME TIME GOC ANNOUNCED ITS INTENTION TO ACCEDE TO ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES (MULTIFIBER ARRANGEMENT). END SUMMARY.

2. IN A JOINT JUNE 21 NEWS RELEASE, INDUSTRY, TRADE AND COMMERCE (ITC) MINISTER JACK HORNER AND FINANCE (FIN) MINISTER JEAN CHRETIEN ANNOUNCED MEASURES RESPECTING IMPORTS OF TEXTILE AND CLOTHING PRODUCTS TO THE CANADIAN

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MARKET. A SERIES OF BILATERAL EXPORT RESTRAINT ARRANGEMENTS HAVE BEEN CONCLUDED WITH HONG KONG, REPUBLIC OF KOREA, PEOPLE'S REPUBLIC OF CHINA (PRC), POLAND, ROMANIA, PHILIPPINES AND TAIWAN. THESE ARRANGEMENTS ARE FOR AT LEAST THREE YEARS, BEGINNING JANUARY 1, 1979, EXCEPT FOR PRC WHERE THE ARRANGEMENT IS FOR TWO YEARS. THE RELEASE NOTED THAT THIS IS THE FIRST TIME THE PRC HAS ENTERED

INTO SUCH AN ARRANGEMENT, MAKING AGREEMENT TO A LONGER TERM NOT POSSIBLE AT THIS TIME. MOST ARRANGEMENTS CONTAIN PROVISIONS FOR CONSULTATIONS ON EXTENSION OF THEIR TERM. IMPORTS FROM THESE COUNTRIES WILL BE HELD TO 138 MILLION UNITS IN 1979, UP 2 PERCENT FROM THE 1975 LEVEL.

3. THE GLOBAL IMPORT MONITORING PROGRAM ALSO WILL BE STRENGTHENED TO ENSURE THAT THE TERMS OF THE ARRANGEMENTS ARE CARRIED OUT AND PROVIDE UP-TO-DATE INFORMATION ON . IMPORTS FROM ALL SOURCES BOTH RESTRAINED AND UNRESTRAINED. THESE NEW MEASURES WILL REPLACE THE GLOBAL QUOTA ON CLOTHING WHICH WILL END DECEMBER 31, 1978. THE IMPORT MONITORING SYSTEM WILL BE COMPREHENSIVE, TIMELY AND TIGHT. EVERY SHIPMENT FROM ANY FOREIGN SOURCE WILL REQUIRE AN IMPORT PERMIT. THE MINISTERS POINTED OUT IT IS THE GOVERNMENT'S INTENTION TO ACT PROMPTLY TO STOP SHARP INCREASES IN IMPORTS FROM ANY UNRESTRAINED SOURCE OR ANY ATTEMPT TO EXPLOIT THE SYSTEM, AND CAUTIONED IMPORTERS ANY POTENTIALLY DISRUPTIVE SHIFTS IN THE PATTERN OF TRADE COULD LEAD TO FURTHER RESTRAINT MEASURES.

4. IN A SEPARATE JUNE 21 NEWS RELEASE, SECRETARY OF STATE FOR EXTERNAL AFFAIRS (EXTAFF) DON JAMIESON AND ITC MINISTER HORNER ANNOUNCED THAT CANADA WILL ACCEDE TO THE RECENTLY RENEWED ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES (ITA). ACCORDING TO THE NEWS RELEASE, UNCLASSIFIED

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THE NEW BILATERAL RESTRAINT ARRANGEMENTS ARE IN KEEPING WITH THE PROVISIONS OF THE RENEWED ITA AND CLEARED THE WAY FOR CANADA TO ACCEDE TO THE ITA.

5. COPIES OF BOTH NEWS RELEASES, BACKGROUNDER ON RESTRAINT MEASURES, AND MEMORANDA OF UNDERSTANDING (ONE FOR EACH OF THE SEVEN COUNTRIES) BEING FORWARDED TO EB/OT/TA (WOODS); EB/ICD/FTD (ANGEVINE); COMMERCE, ITA/BIEPR/OCA/EUR (DESROCHERS) AND STR (MURPHY). ENDERS

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Disposition Remarks:
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